

CHAPTER 12

SECTION 2.2

TRICARE PRIME - CATASTROPHIC LOSS PROTECTION

Issue Date: May 15, 1996

Authority: [32 CFR 199.4](#) and [32 CFR 199.17](#)

I. POLICY

A. Under TRICARE Prime, annual catastrophic caps are calculated for enrollment years as well as for fiscal years. Each enrollment year begins on the Prime enrollment anniversary date.

B. For TRICARE Prime enrollees who are active duty family members.

1. For dates of service prior to October 1, 1996, out-of-pocket expenses accrue toward a \$1,000 enrollment year catastrophic cap as well as toward a \$1,000 fiscal year catastrophic cap.

2. For dates of service on or after October 1, 1996, out-of-pocket expenses accrue only toward the \$1,000 fiscal year catastrophic cap. Calculation for the enrollment year catastrophic cap is eliminated.

C. For TRICARE Prime enrollees who are other than active duty personnel or active duty family members (i.e., retirees, family members of retirees, survivors, etc.), out-of-pocket expenses accrue toward a \$3,000 per enrollment year catastrophic cap as well as toward the \$7,500 fiscal year catastrophic cap. (TRICARE Standard beneficiaries who are other than active duty family members continue to have a \$7,500 fiscal year catastrophic cap.)

D. Prime enrollees will pay no more applicable out-of-pocket expenses for the rest of the fiscal year once the fiscal year catastrophic cap is met (see "Policy Clarifications" below and [Chapter 13, Section 14.1](#)).

E. Prime enrollees will pay no more Prime copayments or enrollment fees for the rest of the enrollment year once the enrollment year catastrophic cap is met. All family members must reside and be enrolled in the same contract area in order for the contractor to track and calculate enrollment year catastrophic cap accumulations for the entire family (see [OPM Part Three, Chapter 4, Section II.G.](#)).

1. Families with some members enrolled in one area and other members enrolled in another area (split enrollment) are responsible for tracking enrollment year catastrophic cap accumulations for all family members ([OPM Part Three, Chapter 4, Section II.H.](#)).

2. If family accumulations meet or exceed the enrollment year catastrophic cap, a family member or other person must notify one of the involved contractors that the cap has been met in order for contractors to pay the appropriate charges for the rest of the enrollment year, and to refund excess payments (enrollment fees and/or cost-shares or copayments).

II. POLICY CLARIFICATIONS

A. Only the following expenses may be credited to a Prime beneficiary's enrollment year catastrophic cap:

1. Enrollment fees, and
2. The outpatient and inpatient cost-shares and copayments defined in [Chapter 12, Section 2.1](#).

NOTE: Deductibles and cost shares imposed on services provided under the Point of Service option are not creditable to the enrollment year catastrophic cap.

B. The following expenses may be credited to a Prime beneficiary's fiscal year catastrophic cap:

1. For dates of service prior to October 1, 1996:
 - a. Deductibles (including those assessed to Point of Service claims), and
 - b. Copayments and cost-shares (including those assessed to Point of Service claims).

NOTE: Point of Service claims do not have a catastrophic cap even though Point of Service deductible and cost-share amounts are applied to the fiscal year catastrophic cap. All care paid under the Point of Service option must be cost-shared at 50% of the allowable charge (after meeting the Point of Service deductible), even if the enrollment and fiscal year catastrophic caps are met. Refer to [OPM Part Two, Chapter 1, Section VI.C.](#) for guidance on application of expenses to catastrophic caps under Prime and Extra.

2. For dates of service on or after October 1, 1996:
 - a. All expenses listed in [paragraph II.B.1.](#), above, and
 - b. Enrollment fees.

III. EFFECTIVE DATE

A. The \$3,000 retiree, retiree family member, survivor catastrophic loss protection limit is effective November 1, 1995. It will apply to out-of-pocket expenses incurred on and after November 1, 1995.

B. Effective October 1, 1996, enrollment fees accrue toward the fiscal year catastrophic cap;

C. Effective October 1, 1996, the calculation for the enrollment period catastrophic cap for active duty family members enrolled in TRICARE Prime is eliminated.

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